

WORKING SESSION
BENCHMARKING PROGRAM PLANNING MEETING
November 4, 2005
Summary

The workshop was held as planned, on November 4, 2005 at the SMUD facilities in Sacramento. There were 34 participants, including 5 over the phone.

The meeting covered the attached agenda during which time attendees interjected valuable comments and some lively side-discussions took place

Agenda:

1. Introduction: Executive Order direction regarding benchmarking and Summary of CEC report to Governor. (Al Garcia)

(see: <http://tinyurl.com/cprho>)

- (1) Executive Order (Summary of overall goal/target):
- (2) California Energy Commission -- major tasks:
 - (a) AB549
 - (b) Building Standards
 - (c) Commissioning Guidelines
 - (d) Benchmarking
- (3) Major focus of this meeting is Benchmarking: the customer's overall energy utilization and where customer stands in relation to other similar customers (similar buildings, end-use)
- (4) CEC Benchmarking Report (**Claudia Orlando**)
(see: <http://tinyurl.com/8v3xv>)

Recommendation to use Energy Star in the interim

Participant Comments:

- Need strong utility participation to insure success
- Utilities are looking at continuous benchmarking efforts
- Some discussion on a common benchmarking site
- Need a better tool: uncertainty about completion time
- no specific element in IOU 2006-08 plans for benchmarking

2. Benchmarking strategies. What activities are utilities currently engaging in that could be relevant to benchmarking.

- (1) Existing program description & results
 - (a) SDG&E's Small business analyzer. (**Mark Gaines**)
(Tool: <http://www.sdge.com/business/analyzer.html>)
- 2) Mark's presentation: <http://tinyurl.com/7ollx>

Participant Comments:

- Why does this model use national data in California?
- Is there a way to track on-line audit customers?

- Comment that reaching 1.5 million customers with benchmarking is unrealistic.

(a) SCE's Bill Manager program; **(SCE)**

Bill Manager -- Dave Bruder described the Bill Manager program at SCE for larger interval metered customers. (See at: <http://tinyurl.com/cwnw6>)

- SCE has several products available, but the Bill Manager program is SCE's product more closely applicable for benchmarking.
- Targeted at large multi-site customers.
- Takes customer energy consumption information from SCE's data banks (including interval data meter); can generate reports and store information.
- Possible to establish links to Energy Star. Fee based process.

Participant Comments/questions:

- Is it possible to generate an Energy Star rating by using Bill Manager?
- Question: What is the participation rate in Bill Manager? Do not know.
- Tracy Narel added a point of information regarding EPA's pilot effort at automated benchmarking – Avista Advantage – commercial system that helps clients access the EPA energy performance rating system through the use of its Facility IQ system and a simplified interface with the EPA's new automated benchmarking. (See: <http://www.avista.com>)

(2) Group discussion on what can be done with benchmarking (as a tool) to achieve 20% savings in the commercial sector. **(Group effort)**

- (a) Integration of benchmarking into existing programs?
- (b) New activities?
- (c) Modification to existing programs?
- (b) How to measure success of changes & counting towards goals
- (c) How this would fit into portfolio and 3 year planning goals.

How can Energy Star fit in?

Participant Comments/questions:

A long discussion on Benchmarking Program design ensued:

- Do we have to benchmark all facilities?
- Should program design be a carrot or stick type program? PGC programs are typically carrot programs by nature.
- Would benchmarking be implemented as a 'stand alone program' or should benchmarking it be integrated as an added feature of existing programs?
- If benchmarking is implemented, there should be a specific benefit.
- Opportunity for the private energy services market.
- Gene Rodrigues. Need to use benchmarking as a marketing "spur". Should be part of marketing of existing programs to get more participation and follow-through by customers.
- Don Gilligan (representing NAESCO).
 - Large scale benchmarking is a major opportunity for Energy Services Companies. Providing a product.
 - Benchmarking can be a targeting tool for the utility and ESCOs to enable them to focus in on a smaller set of the key customers.

- Benchmarking can be used as a tool (for utilities & ESCOs) for allocating resources, identifying the greatest potential & focusing programs.
- A good first strategy would be to conduct a number of pilots (several)
- Feedback from Class A buildings is they think they are very efficient
- Tracy Narel, EPA: The above statement is contradicted by studies in Connecticut, where a study of Class A buildings whose average score was in the 20's, yet operators thought they were very efficient buildings.
- Every owner, asset manager thinks he is doing everything for efficiency. Still room for improvement. Craig Sheehy, Thomas Properties, / BOMA – Better Operation will get 20% savings every day regardless of building type
- Craig Sheehy – get rid of myth that it takes capital dollars to save money, programs need to focus on the operational side.
- Steve Press, Shorenstein Company – agrees with Craig Sheehy. Easy to get savings on the operational side. Retro-commissioning is the big area in the A sector for focus to get energy savings.
- Several opined that the biggest bang for the buck will come from B and C buildings.
- Peter Turnbull, PG&E: Regardless of how much savings potential a customer has, it makes sense to pursue those that are motivated and have the resources to take action.
- Not sure how to prioritize between retail, hospitals, schools, office buildings, others. How do you/should you prioritize?
- Steve Nowell, DGS – an idea to increase participation in benchmarking is to require that in order to receive bond funding for schools, schools would have to be benchmarked.
- Can benchmarking be used to encourage willingness to participate? Will benchmarking increase motivation? Create more “opt in” to programs.
- Training programs are important.
- Benchmark can be an MV opportunity; it can be used to document increased value of portfolio resulting from improvement in EE.
- Benchmarking is not necessarily the “first cut” screening tool
- There are two groups of customers from the utility perspective. Types that are interested. – benchmarking has little value they just want to know where projects are. Other type of customer, is not doing energy efficiency and not a regular participant, benchmark might be more valuable to those who are not participating in programs now. Those that are not focused on energy – something that grabs their interest.
- Others disagreed with the above statement: they recognize that benchmarking is not only a motivational tool, but can be used as a resource allocator and as a way to track facility performance as individual facility and against its peers.
- Gene Rodriques – reason that people in the room have blank expression. PUC isn't going to say – “What did we get for authorizing money for this effort?” New cycle will approve a portfolio of programs which includes benchmarking. The whole portfolio has energy savings and demand reduction goals. Money we spend on benchmarking as part of the portfolio has to work within the programs to get, in the end, the performance the utilities have to achieve.
- Tool to help prioritize. EUI – measure is valuable. Got to have information without any action on their part. Can't have tool that requires them to log on. Need to reduce transaction costs. With passive benchmarking as a first step.

- Dave Bruder, SCE: Good starting point for implementation is where benchmarking has a natural fit with what we are doing already. Much smaller scale than doing all commercial buildings in California.
- Ideas to discuss with CPUC. The CPUC is the one with authority to fund and approve activities in this area.
- Up to the utilities. Given flexibility they have under current PGC Proceeding to move money around, if they could include benchmarking into their portfolios – they should do so. Utilities should push proposals that include benchmarking.
- Question: How do we deal with the issue of two utilities serving one customer? Both electric and gas data is needed to benchmark a building.
 - SCE and Gas Company have history of working together.
 - Electric customer has electric data, gas company has gas data. How can the information be gathered to eliminate the barrier?
 - How does the tool work? Presumably the benchmarking tool can handle multiple inputs.
- Question: Is there a customer information confidentiality issue? How do you do benchmarking and respect confidentiality issue.
 - Dave Bruder, envisioning web based process where information is blind to the other utility. Generate some sort of consolidated EUI.

3. Financial: (Zenaida Tappan Conway, CPUC)

- (1) How to pay for changes of (PGC or other)
 - (a) Reallocating existing authorized funds
 - (b) Authorizing additional funding
 - (c) Impacts of either strategy (above)

Participant Comments/questions:

Zenaida Tappan-Conway, PUC (on Phone) Will lead people through the various issues & pitfalls on this subject.

- There is not a specific allocation of funds within the utility portfolio for benchmarking. Some things could be done within the portfolio.
- Incorporate benchmarking into retro-commissioning.
- Building Operator Certification (BOC) – teach building managers to use portfolio manager. Did not allocate funding for much more than the existing programs.
- Within the current set of programs you can do something. If you need to do more you have the ability to request.
- We need to decide what model will we be using. Analyzing scores using the existing model, could support updating model. Are we going to have/should there be have a consistent statewide model? Need to decide on a pilot to develop mature program.
- Put in SPC program so they can be one of the benchmarked programs. Developmental funds, to bring tool up to speed.
- Considerable discussion regarding a pilot, with eventual consensus
- Agree on something we think works before we go further.
- Once proof of concept is verified through existing programs to determine what works best, then full set of commercial customers can be addressed.

- Don't make full leap to a large scale benchmarking program. The big question is "Will benchmarking help get customers in/increase participation?"

4. Next steps/homework: (all)

- (1) Utilities to go back talk to their management & legal; should discuss internally any outstanding issues/concern such as potential customer confidentiality, conflicts with other programmatic commitments & reshuffling portfolio to accommodate benchmarking.
- (2) Utilities to put together tentative implementation plans (**scope, cost & schedule**)
- (3) CPUC to decide in what context it wants to handle
 - (i) Recovery of IOU expenses
 - (ii) Counting towards goals
- (4) Meeting between EPA's Energy Star folks and utility (IT) technical folks January 19, 2006
- (5) SMUD, LADWP & other munis— need to follow the PAG even though it is under the PUC, because the GBI still applies to the muni's commercial customer sector. Vicki Wood will represent SMUD.

Benchmarking Attendees
SMUD Forrestview Room
11/4/05

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- via phone